

111TH CONGRESS
1ST SESSION

H. R. 2769

To amend the Small Business Act to promote the commercialization of certain small business research and development projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2009

Mr. BRIGHT introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Small Business Act to promote the commercialization of certain small business research and development projects, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Commercializing Small
5 Business Research and Development Act”.

6 **SEC. 2. FOCUS ON COMMERCIALIZATION.**

7 Section 9(a) of the Small Business Act (15 U.S.C.
8 638(a)) is amended by adding at the end the following:

1 “It is further the policy of Congress that the programs
 2 established in this section should focus on promoting re-
 3 search and development of projects governed by commer-
 4 cial business plans, which have significant potential to
 5 produce products or services for the marketplace or for
 6 acquisition by Federal agencies.”.

7 **SEC. 3. INCLUSION OF ENERGY-RELATED RESEARCH TOP-**
 8 **ICS AND RARE DISEASE-RELATED RESEARCH**
 9 **TOPICS AS DESERVING “SPECIAL CONSIDER-**
 10 **ATION” AS SBIR RESEARCH TOPICS.**

11 Section 9(g)(3) of the Small Business Act (15 U.S.C.
 12 638(g)(3)) is amended—

13 (1) in the matter preceding subparagraph (A)
 14 by inserting after “critical technologies” the fol-
 15 lowing: “or pressing research priorities”;

16 (2) at the end of subparagraph (A) by striking
 17 “or”; and

18 (3) by adding at the end the following:

19 “(C) the National Academy of Sciences, in
 20 the final report issued by the ‘America’s Energy
 21 Future: Technology Opportunities, Risks, and
 22 Tradeoffs’ project, and in subsequent reports
 23 issued by the National Academy of Sciences on
 24 sustainability, energy, and alternative fuels;

1 “(D) the National Institutes of Health, in
2 the annual report on the rare diseases research
3 activities of the National Institutes of Health
4 for fiscal year 2005, and in subsequent reports
5 issued by the National Institutes of Health on
6 rare diseases research activities; or

7 “(E) the National Academy of Sciences, in
8 the final report issued by the ‘Transit Research
9 and Development: Federal Role in the National
10 Program’ project and the ‘Transportation Re-
11 search, Development and Technology Strategic
12 Plan (2006–2010)’ issued by the United States
13 Department of Transportation Research and
14 Innovative Technology Administration, and in
15 subsequent reports issued by the National
16 Academy of Sciences and United States Depart-
17 ment of Transportation on transportation and
18 infrastructure;”.

19 **SEC. 4. NANOTECHNOLOGY-RELATED RESEARCH TOPICS.**

20 (a) SBIR.—Section 9(g)(3) of the Small Business
21 Act (15 U.S.C. 638(g)(3)), as amended, is further amend-
22 ed—

23 (1) at the end of subparagraph (D) by striking
24 “or”;

1 (2) at the end of subparagraph (E) by adding
2 “or”; and

3 (3) by adding at the end the following:

4 “(F) the national nanotechnology strategic
5 plan required under section 2(c)(4) of the 21st
6 Century Nanotechnology Research and Develop-
7 ment Act (15 U.S.C. 7501(c)(4)) and in subse-
8 quent reports issued by the National Science
9 and Technology Council Committee on Tech-
10 nology, focusing on areas of nanotechnology
11 identified in such plan;”.

12 (b) STTR.—Section 9(o)(3) of the Small Business
13 Act (15 U.S.C. 638(o)(3)) is amended—

14 (1) at the end of subparagraph (A) by striking
15 “or”;

16 (2) at the end of subparagraph (B) by adding
17 “or”; and

18 (3) by adding at the end the following:

19 “(C) by the national nanotechnology stra-
20 tegic plan required under section 2(c)(4) of the
21 21st Century Nanotechnology Research and De-
22 velopment Act (15 U.S.C. 7501(c)(4)) and in
23 subsequent reports issued by the National
24 Science and Technology Council Committee on

1 Technology, focusing on areas of nanotechnol-
2 ogy identified in such plan;”.

3 **SEC. 5. CLARIFYING THE DEFINITION OF “PHASE THREE”.**

4 Section 9(e) of the Small Business Act (15 U.S.C.
5 638(e)) is amended—

6 (1) in paragraph (4)(C) in the matter preceding
7 clause (i) by inserting after “a third phase” the fol-
8 lowing: “, which shall consist of work that derives
9 from, extends, or logically concludes efforts per-
10 formed under prior SBIR funding agreements
11 (which may be referred to as ‘Phase III’)”;

12 (2) in paragraph (8) by striking “and” at the
13 end;

14 (3) in paragraph (9) by striking the period at
15 the end and inserting “; and”; and

16 (4) by adding at the end the following:

17 “(10) the term ‘commercialization’ means the
18 process of developing marketable products or serv-
19 ices and producing and delivering products or serv-
20 ices for sale (whether by the originating party or by
21 others) to government or commercial markets.”.

22 **SEC. 6. AGENCY RESEARCH GOALS.**

23 Section 9 of the Small Business Act (15 U.S.C. 638)
24 is amended by striking subsection (h) and inserting the
25 following:

1 “(h) AGENCY RESEARCH GOALS.—

2 “(1) IN GENERAL.—In addition to the require-
3 ments of subsection (f), each Federal agency that is
4 required by this section to have an SBIR program
5 and that awards annually \$5,000,000,000 or more
6 in procurement contracts shall, effective for fiscal
7 year 2010 and each fiscal year thereafter, establish
8 annual goals for commercialization of projects fund-
9 ed by SBIR awards.

10 “(2) SPECIFIC GOALS.—The goals required by
11 paragraph (1) shall include specific goals for each of
12 the following:

13 “(A) The percentage of SBIR projects that
14 receive funding for the third phase (as defined
15 in subsection (e)(4)(C)).

16 “(B) The percentage of SBIR projects that
17 are successfully integrated into a program of
18 record.

19 “(C) The amount of Federal dollars re-
20 ceived by SBIR projects through Federal con-
21 tracts, not including dollars received through
22 the SBIR program.

23 “(3) SUBMISSION TO COMMITTEES.—For each
24 fiscal year for which goals are required by paragraph
25 (1), the agency shall submit to the Committee on

1 Small Business of the House of Representatives and
2 the Committee on Small Business and Entrepre-
3 neurship of the Senate—

4 “(A) not later than 60 days after the be-
5 ginning of the fiscal year, the goals; and

6 “(B) not later than 90 days after the end
7 of the fiscal year, data on the extent to which
8 the goals were met and a description of the
9 methodology used to collect such data.”.

10 **SEC. 7. COMMERCIALIZATION PROGRAMS.**

11 Section 9 of the Small Business Act (15 U.S.C. 638)
12 as amended, is further amended, by adding at the end the
13 following:

14 “(aa) COMMERCIALIZATION PROGRAMS.—

15 “(1) IN GENERAL.—Each agency required by
16 this section to conduct an SBIR program shall es-
17 tablish a commercialization program that supports
18 the progress of SBIR awardees to the third phase.
19 The commercialization program may include activi-
20 ties such as partnership databases, partnership con-
21 ferences, multiple second phases, mentoring between
22 prime contractors and SBIR awardees, multiple sec-
23 ond phases with matching private investment re-
24 quirements, jumbo awards, SBIR helpdesks, and
25 transition assistance programs. The agency shall in-

1 clude in its annual report an analysis of the various
2 activities considered for inclusion in the commer-
3 cialization program and a statement of the reasons
4 why each activity considered was included or not in-
5 cluded, as the case may be.

6 “(2) FUNDING FOR COMMERCIALIZATION PRO-
7 GRAMS.—

8 “(A) IN GENERAL.—From amounts made
9 available to carry out this paragraph, the Ad-
10 ministrator may, on petition by agencies re-
11 quired by this section to conduct an SBIR pro-
12 gram, transfer funds to such agencies to sup-
13 port the commercialization programs of such
14 agencies.

15 “(B) PETITIONS.—The Administrator shall
16 establish rules for making transfers under sub-
17 paragraph (A). The initial set of rules shall be
18 promulgated not later than 90 days after the
19 date of the enactment of this paragraph.

20 “(C) AUTHORIZATION OF APPROPRIA-
21 TIONS.—There is authorized to be appropriated
22 to the Administrator to carry out this para-
23 graph \$27,500,000 for fiscal year 2010 and
24 each fiscal year thereafter.

1 “(3) FUNDING LIMITATION.—For payment of
2 expenses incurred to administer the commercializa-
3 tion programs described in paragraphs (1) and (2),
4 the head of an agency may use not more than an
5 amount equal to 1 percent of the funds set aside for
6 the agency’s Small Business Innovation Research
7 program. Such funds—

8 “(A) shall not be subject to the limitations
9 on the use of funds in subsection (f)(2); and

10 “(B) shall not be used for the purpose of
11 funding costs associated with salaries and ex-
12 penses of employees of the Federal Govern-
13 ment.”.

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